



THRIFT SAVINGS PLAN FACT SHEET

Calculating Participant Earnings on TSP Investments

This Fact Sheet has been prepared to help you calculate your monthly earnings as reported on your semiannual Thrift Savings Plan (TSP) Participant Statement. The TSP consists of three funds:

- Government Securities Investment (G) Fund
- Common Stock Index Investment (C) Fund
- Fixed Income Index Investment (F) Fund

Net earnings for each month are calculated separately for the G, C, and F Funds. Your share of the net earnings from each fund is credited to your account as of the last day of the month.*

To calculate the earnings allocated to your account for any month, first add one-half of the deposits and loan payments for the month to your month-end balance for the preceding month. Then multiply that sum by the rate of return for the month you are calculating (as reported on your Participant Statement).

Loans and withdrawals affect your account for the calculation of earnings at the end of the month, but are disbursed in the middle of the following month. You do not receive any earnings on the amount of a loan or withdrawal for the month in which it was disbursed.

Interfund transfers are effective as of the last day of the month. Beginning with the following month, the amounts transferred receive earnings for the full month in the fund to which the money was moved.

As a guide to calculating your earnings, follow the steps in the example on the back of this Fact Sheet, which is based on G Fund rates of return. You can calculate earnings on C and F Fund investments in the same manner.

* Net earnings for each fund consist of the earnings of the fund minus accrued administrative expenses. Expenses that are attributable only to the C and F Funds are charged solely to those funds. General TSP administrative expenses are reduced by forfeitures of the Agency Automatic (1%) Contributions from the accounts of nonvested participants covered by the Federal Employees' Retirement System (FERS) who have left Government service. The remaining expenses are charged to the three investment funds in proportion to their respective balances on the last day of the prior month.

Sample Participant Statement

Detail of G Fund Account Activity

Activity Code	Payroll Office	Pay Date	Process Date	G Fund
MONTH-END BALANCE APR 1995 (Beginning Balance)				15,000.00
D	47000016	05/10/95	05/10/95	90.00
D	47000016	05/24/95	05/24/95	90.00
E				92.04
MONTH-END BALANCE MAY 1995				15,272.04
D	47000016	06/07/95	06/07/95	90.00
D	47000016	06/21/95	06/21/95	90.00
E				81.41
MONTH-END BALANCE JUN 1995				15,533.45
D	47000016	07/05/95	07/05/95	90.00
D	47000016	07/19/95	07/19/95	90.00
E				85.92
L				2,000.00 -
MONTH-END BALANCE JUL 1995				13,799.37
D	47000016	08/02/95	08/03/95	90.00
D	47000016	08/16/95	08/17/95	90.00
D	47000016	08/30/95	08/30/95	90.00
E				78.03
T				3,405.65 -
MONTH-END BALANCE AUG 1995				10,741.75
D	47000016	09/13/95	09/14/95	90.00
D	47000016	09/27/95	09/27/95	90.00
P	47000016		09/29/95	50.00
E				57.54
MONTH-END BALANCE SEP 1995				11,029.29
D	47000016	10/11/95	10/11/95	90.00
D	47000016	10/25/95	10/25/95	90.00
P	47000016		10/31/95	50.00
E				60.17
MONTH-END BALANCE OCT 1995				11,319.46
D = Deposit L = Loan T = Interfund transfer				
E = Earnings P = Monthly loan payment summary				

Pay date is the date reported by your payroll office for deposits. **Process date** is the date deposits and loan payments were processed to your account by the TSP recordkeeper.

G Fund Rates of Return* May 1995 – October 1995

May	0.61%	August	0.56%
June	0.53%	September	0.53%
July	0.55%	October	0.54%

*Actual rates of return after administrative expenses

Procedure to Calculate Earnings on G Fund Contributions

May Calculation

Calculate ½ May contributions:

Add May contributions	\$ 90.00
	+ 90.00
	<u>180.00</u>
Divide sum in half	÷ 2
	<u>90.00</u>

Use April Month-End Balance	15,000.00
Add ½ May contributions	+ 90.00
	<u>15,090.00</u>
Multiply by May return	× 0.0061
May earnings	\$ 92.04

June Calculation

Calculate ½ June contributions:

Add June contributions	\$ 90.00
	+ 90.00
	<u>180.00</u>
Divide sum in half	÷ 2
	<u>90.00</u>

Use May Month-End Balance	15,272.04
Add ½ June contributions	+ 90.00
	<u>15,362.04</u>
Multiply by June return	× 0.0053
June earnings	\$ 81.41

July Calculation

Calculate ½ July contributions:

Add July contributions	\$ 90.00
	+ 90.00
	<u>180.00</u>
Divide sum in half	÷ 2
	<u>90.00</u>

Use June Month-End Balance	15,533.45
Add ½ July contributions	+ 90.00
	<u>15,623.45</u>
Multiply by July return	× 0.0055
July earnings	\$ 85.92

August Calculation

Calculate ½ August contributions:

Add August contributions	\$ 90.00
	+ 90.00
	<u>270.00</u>
Divide sum in half	÷ 2
	<u>135.00</u>

Use July Month-End Balance	13,799.37
Add ½ August contributions	+ 135.00
	<u>13,934.37</u>
Multiply by August return	× 0.0056
August earnings	\$ 78.03

September Calculation

Calculate ½ September contributions
and loan payments:

Add September contributions and loan payments	\$ 90.00
	+ 90.00
	<u>230.00</u>
Divide sum in half	÷ 2
	<u>115.00</u>

Use August Month-End Balance	10,741.75
Add ½ September contributions and loan payments	+ 115.00
	<u>10,856.75</u>
Multiply by September return	× 0.0053
September earnings	\$ 57.54

October Calculation

Calculate ½ October contributions
and loan payments:

Add October contributions and loan payments	\$ 90.00
	+ 90.00
	<u>230.00</u>
Divide sum in half	÷ 2
	<u>115.00</u>

Use September Month-End Balance	11,029.29
Add ½ October contributions and loan payments	+ 115.00
	<u>11,144.29</u>
Multiply by October return	× 0.0054
October earnings	\$ 60.17

The *pro rata* share of monthly earnings that you calculate for your account may not equal your exact earnings. This is because your actual earnings are calculated using 8-decimal-place rates of return rather than the 2-decimal-place rates of return shown on your Participant Statement. Net earnings for individual accounts are then rounded down to the nearest penny, and the residual amounts are included in earnings to be allocated to all accounts the following month.